

§ 54.804 Preliminary minimum access universal service support for a study area calculated by the Administrator.

(a) If Average Price Cap CMT Revenue per Line month is greater than \$9.20 then: Preliminary Minimum Access Universal Service Support (for a study area) = Average Price Cap CMT Revenue per Line month in a study area * price cap local exchange carrier Base Period Lines * 12) – (((\$7.00 * price cap local exchange carrier Base Period Residential and Single-Line Business Lines * 12) + (\$9.20 * price cap local exchange carrier Base Period Multi-line Business Lines * 12)).

(b) If Average Price Cap CMT Revenue per Line month in a study area is greater than \$7.00 but less than \$9.20 then: Preliminary Minimum Access Universal Service Support (for a study area) = (Average Price Cap CMT Revenue per Line month in a study area—\$7.00) * (price cap local exchange carrier Base Period Residential and Single-Line Business Lines * 12).

(c) If Average Price Cap CMT Revenue per Line month in a study area is less than \$7.00 then the Preliminary Minimum Access Universal Service Support (for a study area) is zero.

[65 FR 57740, Sept. 26, 2000]

§ 54.805 Zone and study area above benchmark revenues calculated by the Administrator.

(a) The following steps shall be performed by the Administrator to determine Zone Above Benchmark Revenues for each price cap local exchange carrier.

(1) Calculate Zone Average Revenue Per Line.

(2) Calculate Zone Above Benchmark Revenues. Zone Above Benchmark Revenues is the sum of Zone Above Benchmark Revenues for Residential and Single-Line Business Lines and Zone Above Benchmark Revenues for Multi-Line Business Lines. Zone Above Benchmark Revenues for Residential and Single-Line Business Lines is, within each zone, (Zone Average Revenue Per Line minus \$7.00) multiplied by all eligible telecommunications carrier Base Period Residential and Single-Line Business Lines times 12. If negative, the Zone Above Benchmark

Revenues for Residential and Single-Line Business Lines for the zone is zero. Zone Above Benchmark Revenues for Multi-line Business Lines is, within each zone, (Zone Average Revenue Per Line minus \$9.20) multiplied by all eligible telecommunications carrier zone Base Period Multi-line Business Lines times 12. If negative, the Zone Above Benchmark Revenues for Multi-line Business Lines for the zone is zero.

(b) Study Area Above Benchmark Revenues is the sum of Zone Above Benchmark Revenues for all zones in the study area.

[65 FR 38690, June 21, 2000; 65 FR 57740, Sept. 26, 2000]

§ 54.806 Calculation by the Administrator of interstate access universal service support for areas served by price cap local exchange carriers.

(a) The Administrator, based on the calculations performed in §§ 54.804 and 54.805, shall calculate the Interstate Access Universal Service Support for areas served by price cap local exchange carriers according to the following methodology:

(b) Calculate Nationwide Total Above Benchmark Revenues. Nationwide Total Above Benchmark Revenues is the sum of all Study Area Above Benchmark Revenues for all study areas served by local exchange carriers.

(c) Calculate Preliminary Study Area Universal Service Support (PSAUSS).

(1) If the Nationwide Total Above Benchmark Revenues is greater than \$650 million, then the Preliminary Study Area Universal Service Support (PSAUSS) equals the Study Area Above Benchmark Revenues multiplied by the ratio of \$650 million to Nationwide Total Above Benchmark Revenues (*i.e.*, Preliminary Study Area Universal Service Support = Study Area Above Benchmark Revenues * (\$650 Million/Nationwide Total Above Benchmark Revenues)).

(2) If the Nationwide Total Above Benchmark Revenues is not greater than \$650 million, PSAUSS equals the Study Area Above Benchmark Revenues.

(d) Calculate the Minimum Delta (MD) by study area. Within each study area the Minimum Delta will be equal to the Preliminary Minimum Access

Universal Service Support less the PSAUSS, if the difference is greater than zero. If the difference is less than or equal to zero, the MD is equal to zero.

(e) Calculate the Total National Minimum Delta (TNMD) by summing all study area Minimum Deltas nationwide.

(f) Calculate the Minimum Adjustment Amount. (1) If the TNMD is greater than \$75 million, then the Minimum Adjustment Amount (MAA) equals the MAA Phase In Percentage times the MD by study area times the ratio of \$75 million to TNMD.

(2) If the TNMD is less than \$75 million, then the MAA equals the product of the MAA Phase In Percentage and the MD by study area.

(g) Calculate the Minimum Support Requirement (MSR). The Minimum Support Requirement for a study area equals the PSAUSS plus the MAA.

(h) Calculate the Total National Minimum Support Requirement (TNMSR), which equals the sum of the MSR for all study areas in which the Preliminary Minimum Access Universal Service Support is greater than or equal to the PSAUSS.

(i) Calculate Study Area Access Universal Service Support (SAAUS) for a study area in which the price cap local exchange carrier has geographically deaveraged state-approved rates for UNE loops:

(1) For study areas in which the Preliminary Minimum Access Universal Service Support is greater than PSAUSS, and within which the price cap local exchange carrier has established geographically deaveraged state-approved rates for UNE loops, the SAAUS for that study area is the MSR.

(2) For study areas in which the Preliminary Minimum Access Universal Service Support is less than PSAUSS, and within which the price cap local exchange carrier has established geographically deaveraged state-approved rates for UNE loops, the SAAUS for that study area is equal to:

$$\text{PSAUSS} * (\$650 \text{ million} - \text{TNMSR}) \div (\text{the sum of PSAUSS of study areas where the Preliminary Minimum Access Universal Service Support is less than PSAUSS}).$$

(j) Calculate Study Area Access Universal Service Support (SAAUS) for a price cap local exchange carrier that has not established geographically deaveraged state-approved rates for UNE loops. In such study areas, the SAAUS shall be the lesser of the Preliminary Minimum Access Universal Service Support or:

(1) For study areas in which the Preliminary Minimum Access Universal Service Support is greater than PSAUSS, and for which an estimate has been made for deaveraged UNE loop costs, the SAAUS for that study area is the MSR.

(2) For study areas in which the Preliminary Minimum Access Universal Service Support is less than PSAUSS, and for which an estimate has been made for deaveraged UNE loop costs, the SAAUS for that study area is equal to:

$$\text{PSAUSS} * (\$650 \text{ million} - \text{TNMSR}) \div (\text{the sum of PSAUSS of study areas where the Preliminary Minimum Access Universal Service Support is less than PSAUSS}).$$

[65 FR 38690, June 21, 2000; 65 FR 57740, Sept. 26, 2000]

§ 54.807 Interstate access universal service support.

(a) Each Eligible Telecommunications Carrier (ETC) that provides supported service within the study area of a price cap local exchange carrier shall receive Interstate Access Universal Service Support for each line that it serves within that study area.

(b) In any study area within which the price cap local exchange carrier has not established state approved geographically deaveraged rates for UNE loops, the Administrator shall calculate the Interstate Access Universal Service Support Per Line by dividing Study Area Access Universal Service Support by twelve times all eligible telecommunications carriers' base period lines in that study area adjusted for growth during the relevant support period based on the average nationwide annual growth in eligible lines during the three previous years. For the purpose of calculating growth, the Administrator shall use a simple average of annual growth rates for total switched access lines for the three most recent